

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
MUHLENBERG COUNTY WATER DISTRICT	)	2024-00404

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RESPONSE OF MUHLENBERG COUNTY WATER DISTRICT  
TO THE COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION DATED MARCH 21, 2025



**Muhlenberg County Water District  
Case No. 2024-00404  
Commission Staff's Second Request for Information**

**Witnesses:** Lisa DeArmond

1. Refer to Muhlenberg District's response to Commission Staff's First Request for Information (Staff's First Request), Item 1b, 1b\_Trial\_Balance\_2023.xlsx, Column G, entitled "Annotation." Provide explanations for the annotations.

**Response: The 2023 Trial Balance column entitled "Annotation" is used for internal accounting purposes. The annotations cross-reference to workpapers the CPA/Bookkeeper use to document their account balances. This information should not have been included on the 2023 Trial Balance column G.**

2. Refer to Muhlenberg District's response to Staff's First Request, Item 6, 6\_Employee\_Hours\_Wages\_and\_Benefits.xlsx.
  - a. Refer to Column F. Provide an explanation for employee compensation categorized in the "Bonus Pay" column, including board minutes approving the benefit, how eligibility is determined and how compensation is calculated. Also, provide a copy of any written utility policy explaining the bonus.

**Response: Bonus Pay is a quarterly Safety Bonus of \$150 awarded to each employee as long as no accidents have occurred. There is a \$150 Boot Allowance paid at the beginning of each year so that workers can purchase a new pair of boots each year. The Safety Bonus started January 2021; this was voted on by the Commissioners but somehow failed to get recorded in the minutes.**

**From Employee Handbook: You are expected to exercise caution in all work activities. You must immediately report any unsafe condition to management of Muhlenberg County Water District. If you cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, you may be subject to disciplinary action, up to and including termination of employment. At the end of each quarter if there have been no accidents each employee will be paid a Safety Bonus of \$150.**

See file      2a\_Safety\_Bonus

- b. Refer to Column G. Provide an explanation for the Christmas Bonus Pay, including board minutes approving the benefit, how eligibility is determined and how compensation is calculated. Also, provide a copy of any written utility policy explaining the Christmas Bonus.

**Response: The Christmas Bonus is paid in November of each year after being voted on by the Commissioners. Each employee receives this bonus and the amount is determined by the Commissioners. The previous two Christmas Bonuses were one week's pay.**

**From Employee Handbook: All employees will receive a Christmas Bonus in November. The amount of each bonus will be determined by the Board of Commissioners voted on yearly.**

See file      **2b\_Christmas\_Bonues**  
                  **2b\_Minutes\_Authorizing\_Christmas\_Bonus**

- c. Refer to Column I. Provide an explanation for the On Call Pay, including how eligibility is determined and how compensation is calculated. Also provide a copy of any written policy explaining the On Call Pay.

**Response: On Call Pay is paid to field workers. One worker takes the On Call phone each week and answers emergency calls after hours. The General Manager and Superintendents are paid the first two pay periods of the month because they answer calls for the entire month. The On Call Pay was determined and voted on by the Commissioners.**

**From Employee Handbook: Field workers will be on call for a one-week period until they have alternated though all the workers. They will take the on call phone and answer emergency calls from customers. These workers will be compensated with on-call pay determined by the board members. The superintendents and general manager will be compensated the first two pay periods of every month for on call pay as they are always on call.**

See file      **2c\_On\_Call\_Pay**

- d. Refer to Column K, Sample Testing. Provide an explanation for the Sample Testing Pay, including board minutes approving how eligibility is determined and how compensation is calculated. Provide a copy of any written job duty description or utility policy explaining the Sample Testing program.

**Response: Sample Testing is paid to the two Superintendents ever weekend day and holiday. Sample testing is mandatory from the Division of Water and specific sites must be tested for chlorine residual daily. The**

**Superintendents are compensated for doing this testing on their days off.**

**From Employee Handbook: Chlorine Residual Samples must be collected and tested every day according to The Division of Water. Approved sites on the North, South, East And West are where the samples will be taken and tested on the spot with a testing kit. On weekends and holidays, two employees will be responsible for testing these sites. The employees will be compensated \$100 per day for having to collect samples on their days off.**

**See file 2d\_Sample\_Testing\_Pay**

3. Refer to Muhlenberg District's response to Staff's First Request, Item 6.
  - a. Using a table format, provide an updated Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that lists each position's (Position 1, Position 2, etc.) job titles and pay rates of each employee currently working for Muhlenberg District as of the time of this request.

**Response: See file 3a\_Positions\_Titles\_and\_Pay**

- b. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that is has been vacant and if there is a timeframe the vacancy is expected to be filled.

**Response: Currently, there are three positions that are vacated with the intent to fill. Muhlenberg District is losing money monthly and the date to rehire will depend on the rate increase. The intent is to rehire these positions as soon as the District gets approved for a rate increase. Two seasonal employees and the housekeeping position are currently not filled. Seasonal employees work nine months a year and are off three months. One season employee was set to return on March 1, 2025 but the District did not bring them back for financial reasons. One seasonal employee returned on February 1, 2025 but was let go on March 31, 2025 in order to save the District money. The housekeeping employee works ten hours a week and was let go on March 9, 2025 in order to save the District monty.**

- c. Provide an employee count that Muhlenberg District considers fully staffed.

**Response: The employee count that Muhlenberg District considers fully staffed is 14 full-time positions, 3 part-time/seasonal positions, and 3 commissioners.**

4. Refer to the Application, Attachment 4, References, Adjustment I. Also Refer to Muhlenberg District's response to Staff's First Request, Item 8, 8\_Billing\_Software.pdf. Also, refer to Muhlenberg District's response to Staff's First Request, Item 1d, 1d\_Rate\_Study.xlsx, Software Upgrade tab. In response to Commission Staff's request for a copy of the invoices for the billing software upgrades, Muhlenberg District submitted several invoices totaling \$60,552.
- a. Confirm that all the invoices provided are included in the cost for the billing software upgrade. If so, identify the expense classification they are assigned to in the table provided in response item 1d, as shown below. If not confirmed, provide a list of invoices that only concern the upgrade, identifying the billing software upgrade purchases.

<u>Expense Classification</u>	<u>Initial Outlay</u>	<u>Annual Outlay</u>
Customer Web Portal	2,995	2,795
SQL Server License	1,125	1,315
Remote Setup and Training	4,000	
Card Readers	1,425	
Server	10,765	
Alliance G5 Migration and Training		21,365
Onboarding Services		9,000
	41,675	13,110
Amortized over Five Years	5	
Annual Cost	8,335	13,110

**Response: Confirmed with minor changes to totals.**

**See file**                      **4a\_Billing\_Software\_Upgrade\_Invoices**

- b. Confirm that all the expenses submitted in response to Item 8\_invoices are for the billing software upgrade project.

**Response: Confirmed.**

- c. Provide a copy of the contract or signed agreement addressing the \$13,110 annual maintenance fee.

**Response: The correct amount of the annual maintenance fee is \$12,888.00 based upon monthly payments of \$1,024.00.**

**See file**                      **4c\_Contract**

5. Provide the minutes from Muhlenberg District's Board of Commissioners' (Board)

meetings for the calendar years 2023 and 2024.

**Response: See file 5\_Board\_Minutes\_2023-2024**

- a. Designate each action that authorizes hiring.

**Response: January, 22 2024 Hiring**

**The General Manager is responsible for hiring. When a position is vacated, applications are reviewed and the General Manager will discuss the applicants with the Commissioners and they will agree on who to hire. This is not voted on by the Commissioners but rather discussed with them.**

- b. Designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions.

<b>Response: April 24, 2023</b>	<b>Medical Insurance</b>
<b>July 24, 2023</b>	<b>Wage Rates</b>
<b>October 23, 2023</b>	<b>On Call Pay</b>
<b>October 23, 2023</b>	<b>Christmas Bonus</b>
<b>October 23, 2023</b>	<b>Wage Rates</b>
<b>October 28, 2024</b>	<b>Christmas Bonus</b>
<b>October 28, 2024</b>	<b>Wage Rates</b>
<b>November 25, 2024</b>	<b>Boot Allowance</b>

**Wage Rates usually occur one a year. Due to cost of living, there were two wage increases in 2023. The CPA's will discuss the budget with the General Manager and the Commissioners. This will be brought up during the board meeting and wage increases are voted on by the Commissioners at the board meeting. Any other benefit that will be increased is voted on by the Commissioners during the board meeting as well.**

9. Refer to Muhlenberg District's response to Staff's First Request, Item 26. The response is unresponsive. Provide updated cost justification sheets to support each nonrecurring charge listed in Muhlenberg District's tariff, even if Muhlenberg District does not wish to revise the charges.

**Response: See file 9\_Nonrecurring\_Charges\_Cost\_Justifications**

10. Refer to Muhlenberg District's response to Staff's First Request, Item 27. Muhlenberg District did not provide the requested information. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in

Muhlenberg District's tariff.

**Response: See file 10\_Tap\_Fee\_Cost\_Justifications**

11. Refer to Muhlenberg District's response to Staff's First Request, Item 14, 14\_Commissioners.pdf and Item 16, 15\_Training\_Records.pdf.

- a. Confirm that Wade Mathis was originally appointed on June 29, 2023. If not confirmed, explain when he was appointed and provide the fiscal court minutes to support the response.

**Response: Wade Mathis was appointed by Commissioner on June 29, 2023 by Muhlenberg County Judge Executive Mack McHehee. He took over Bobby Mayhugh's term. Mr. Mayhugh resigned due to health issues. See file 11a\_Fiscal\_Court\_Minutes**

- b. Provide the total number, filled and unfilled, of Muhlenberg District board of commissioner positions.

**Response: The total number of filled positions on the Board of Commissioners is three. There are no unfilled positions.**

- c. Provide the number of Muhlenberg District board of commissioner positions that are currently filled.

**Response: There are three positions on the Muhlenberg District Boar of Commissioners that are currently filled.**

- d. If any Muhlenberg District board of commissioner positions are unfilled, explain when Muhlenberg District anticipates those positions to be filled.

**Response: There are no unfilled positions.**

- e. If any Muhlenberg District board of commissioner positions are unfilled, provide the resignation or term completion date of last board member to vacate a position.

**Response: There are no unfilled positions.**